



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Amendment of Public Employees' Retirement System (PERS) contract to provide Section 20818 (Two-Years Additional Service Credit)

MEETING DATE: May 19, 1993

PREPARED BY: Joanne M. Narloch, Personnel Director

RECOMMENDED ACTION: That the City Council amend the City of Lodi's contract with the Public Employees' Retirement System (PERS) by approving the Resolution of Intention to adopt Government Code Section 20818 (Two-Years Additional Service Credit) for specified miscellaneous and safety members.

BACKGROUND INFORMATION: The City has been considering various options in implementing budget cutbacks. Included in these options is a reduction in the workforce. In order to minimize or reduce the impact of this action, the City wishes to amend its contract with the Public Employees' Retirement System (PERS) to provide two years additional service credit to employees who retire during a designated period if a mandatory transfer, layoff, or demotion is imminent and certain requirements are met.

The estimated cost of providing this option is approximately 50% of an employee's annual salary. This cost may be remitted to PERS in a lump sum payment within 30 days of billing or on a payment schedule spread out over a period of up to two years. Interest will be established based upon our current crediting rate (8.75%).

FUNDING: General Fund Operating Reserves

Joanne M. Narloch
Personnel Director

APPROVED

THOMAS A. PETERSON
City Manager

REC-1001-1000

**CERTIFICATION
Of Compliance With
Section 20818 Government Code**

In accordance with Section 20818, Government Code, and the contract between the Public Employees' Retirement System, the City Council of the City of Lodi hereby certifies that:

1. Because of an impending curtailment of, or change in the manner of performing service, the best interests of the agency will be served by granting such additional service credit.
2. It has elected to become subject to Section 20818 because of impending mandatory transfers, demotions, and layoffs that constitute at least 1% of the job classification, department or organizational unit designated resulting from the curtailment of or change in the manner of performing its services.
3. Its intention at the time Section 20818 becomes operative is to keep all vacancies created by retirements under this section or at least one vacancy in any position in any department or other organizational unit permanently unfilled thereby resulting in an overall reduction in the work force of such department or organizational unit.

THEREFORE, the City Council of the City of Lodi hereby elects to provide the benefits of Section 20818, Government Code, to all eligible members who retire within the designated period, July 5, 1993 through October 2, 1993.

Presiding Officer

Attest:

Clerk

Date: _____

C0610 (Rev. 6/92)

**RESOLUTION OF INTENTION
TO APPROVE AN AMENDMENT TO CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
CITY COUNCIL
OF THE
CITY OF LODI**

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

**To provide Section 20318 (Two-Years Additional Service Credit)
for local miscellaneous members and local fire safety members.**

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between the said governing body and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

BY _____
(NAME)

(TITLE)

(Date adopted and approved)

Ret. Form 122

C0302 (AMENDMENT) (Rev. 6/91)

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Public Agency Contract Services

Contract Services Division - Section 220

Post Office Box 942709

Sacramento, CA 94229-2709

Telephone (916) 326-3420

326-3240 (Telecommunications

Device for the Deaf)

CERTIFICATION OF GOVERNING BODY'S ACTION

I hereby certify that the foregoing is a true and correct copy of a

Resolution adopted by the _____,
(Governing Body)

of the _____,
(Name of Public Agency)

on _____,
(Date)

City Clerk
or
Secretary of the Board

CSD-CON-12
C0600 (Rev. 2/92)

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Public Agency Contract Services
Contract Services Division - Section 220
Post Office Box 942709
Sacramento, CA 94229-2709
Telephone (916) 326-3420
326-3240 (Telecommunications
Device for the Deaf)

**CERTIFICATION OF COMPLIANCE WITH
GOVERNMENT CODE SECTION 7507**

I hereby certify that in accordance with Section 7507 of the Government Code the future annual costs as determined by the System Actuary and/or the increase in retirement benefit(s) have been made public at a public meeting of the _____
(governing body)
of _____
(public agency)
at least two weeks prior to the adoption of the final Ordinance/Resolution.

Date: _____

original signature

official title

**COST ESTIMATE FACTORS
TWO-YEARS ADDITIONAL SERVICE CREDIT**

Miscellaneous Members

Safety Members

2% @ 60 formula

<u>Ages</u>	<u>With Social Security Coverage</u>		<u>Without Social Security Coverage</u>		<u>2% @ 55 formula</u>	<u>2% @ 50 formula</u>
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>	<u>All</u>	<u>All</u>
50-54	0.30	0.32	0.31	0.33	0.40	0.59
55-59	0.37	0.40	0.39	0.41	0.45	0.63
60-64	0.46	0.51	0.49	0.52	0.42	0.58
65-69	0.42	0.47	0.45	0.49	0.38	0.52

2% @ 55 formula

<u>Ages</u>	<u>With Social Security Coverage</u>		<u>Without Social Security Coverage</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
50-54	0.40	0.43	0.41	0.44
55-59	0.47	0.51	0.49	0.52
60-64	0.47	0.52	0.50	0.54
65-69	0.42	0.47	0.45	0.49

**PROCEDURES FOR CALCULATION OF
ESTIMATED EMPLOYER COST
TWO-YEARS ADDITIONAL SERVICE CREDIT**

The cost of providing the two-years additional service credit is calculated based on the employee's annual compensation, the cost factor chart and whether the agency's contract provides the Post-Retirement Survivor Allowance (Survivor Continuance) and/or an increased Cost of Living Allowance of 3%, 4% or 5%.

The employer cost may be estimated as follows:

1. Determine the total annual compensation and the age of each person who will receive the additional service credit.
2. Locate the corresponding factor on the cost chart.
3. Multiply the total annual compensation by the corresponding factor.
4. Determine whether your agency's contract provides for the Post-Retirement Survivor Allowance. If yes, proceed to step 6.
5. If your agency's contract does not provide for the Post-Retirement Survivor Allowance, multiply the value determined in step 3, above, by 0.95.
6. Determine whether your agency's contract provides for the increased Cost of Living Allowance of 3%, 4% or 5%. If not, no further calculations are needed.
7. If your agency's contract provides the 3% cost of living allowance, multiply the value determined above by 1.07 to estimate the cost of providing the additional service credit.

If your agency's contract provides the 4% cost of living allowance, multiply the value determined above by 1.14 to estimate the cost of providing the additional service credit.

If your agency's contract provides the 5% cost of living allowance, multiply the value determined above by 1.21 to estimate the cost of providing the additional service credit.

NOTE: In addition, there is a \$10.00 valuation fee for each member who retires during the designated period and receives the additional service credit.

RESOLUTION NO. 93-65

=====

RESOLUTION OF INTENTION

TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION
OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE CITY COUNCIL OF THE CITY OF LODI

=====

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To provide Section 20818 (Two-Years Additional Service Credit) for local miscellaneous members and local fire safety members.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between the said governing body and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

Dated: May 19, 1993

=====

I hereby certify that Resolution No. 93-65 was passed and adopted by the Lodi City Council in a regular meeting held May 19, 1993 by the following vote:

Ayes: Council Members -

Noes: Council Members -

Absent: Council Members -

Jennifer M. Perrin
City Clerk

93-65

RES9365/TXTA.01V

PLEASE DO NOT SIGN "EXHIBIT ONLY"

AMENDMENT TO CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
CITY COUNCIL
OF THE
CITY OF LODI

COPY

The Board of Administration, Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of above public agency, hereinafter referred to as Public Agency, having entered into a contract effective June 1, 1966, and witnessed April 27, 1966, and as amended effective July 6, 1966, May 1, 1970, July 1, 1973, July 1, 1977 and April 1, 1991, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 13 are hereby stricken from said contract as executed effective April 1, 1991, and hereby replaced by the following paragraphs numbered 1 through 14 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for local miscellaneous members and age 50 for local safety members.
 2. Public Agency shall participate in the Public Employees' Retirement System from and after June 1, 1966 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
 3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).
 4. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **PERSONS COMPENSATED ON AN HOURLY BASIS WHO
ARE HIRED JUNE 1, 1966 OR THEREAFTER; AND**
 - b. **ELECTIVE OFFICIALS.**
 5. Assets heretofore accumulated with respect to members in the local retirement system have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of the assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system has been credited to the individual membership account of each such employee under the Public Employees' Retirement System.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

6. Benefits paid to pensioners and annuitants under the local system on the effective date of the contract were recalculated, as authorized by Section 20520 of the Government Code, to conform with benefits applicable to persons retiring after the effective date of the contract except that no benefit which would have been payable under the continuation of the local system shall be reduced.
7. The percentage of final compensation to be provided for local miscellaneous members for each year of credited prior and current service shall be determined in accordance with Section 21251.13 of said Retirement Law, subject to the reduction provided therein for service prior to June 30, 1977, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 60 Full and Modified).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a local safety member shall be determined in accordance with Section 21252.01 of said Retirement Law (2% at age 50 Full).
9. Public Agency elected to be subject to the following optional provisions:
 - a. Section 21361.5 (Local System Service Credit Included in Basic Death Benefit).
 - b. Section 21222.1 (Special 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
 - c. Sections 21263 and 21263.1 (Post-Retirement Survivor Allowance) for local miscellaneous members only.
 - d. Sections 21380-21387 (1959 Survivor Benefits) including Section 21382.4 (Third Level of 1959 Survivor Benefits) for local safety members.
 - e. Sections 21380-21387 (1959 Survivor Benefits) including Section 21382.2 (Increased 1959 Survivor Benefits) and Section 21382.4 (Third Level of 1959 Survivor Benefits) for local miscellaneous members.
 - f. Section 21298 (Improved Non-Industrial Disability Allowance) for local miscellaneous members only.
 - g. Section 20024.2 (One-Year Final Compensation) for local fire members only.
 - h. Section 20818 (Two-Years Additional Service Credit).
10. Public Agency, in accordance with Government Code Section 20740, ceased to be an "employer" for purposes of Section 20759 effective on July 1, 1977. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20759, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20759.
11. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

12. Public Agency shall also contribute to said Retirement System as follows:

- a. Public Agency shall contribute \$2.50 per employee, per month on account of the liability for the 1959 Survivor Benefits provided under Section 21382.4 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.
- b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
- c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

13. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

14. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, 19____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
CHIEF, CONTRACT SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF LODI

BY _____
Presiding Officer

Witness Date

Attest: _____

Clerk

ORDINANCE NO. 1576

=====

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI
AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN
THE CITY COUNCIL OF THE CITY OF LODI AND THE BOARD OF ADMINISTRATION
OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

=====

THE CITY COUNCIL OF THE CITY OF LODI DOES ORDAIN AS FOLLOWS:

SECTION 1.

That an amendment to the contract between the City Council of the City of Lodi and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

SECTION 2.

The Mayor of the City of Lodi is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

SECTION 3.

This ordinance shall take effect 30 days after the date of its adoption and shall be published at least once in the "Lodi News Sentinel", a newspaper of general circulation published and circulated in the City of Lodi and thenceforth and thereafter the same shall be in full force and effect.

Approved this day of

PHILLIP A. PENNINO
Mayor

Attest:

JENNIFER M. PERRIN
City Clerk

=====

State of California
County of San Joaquin, ss.

I, Jennifer M. Perrin, City Clerk of the City of Lodi, do hereby
certify that Ordinance No. 1576 was introduced at a regular meeting of
the City Council of the City of Lodi held May 19, 1993 and was
thereafter passed, adopted and ordered to print at a regular meeting of
said Council held _____, 1993 by the following vote:

Ayes:	Council Members -
Noes:	Council Members -
Absent:	Council Members -
Abstain:	Council Members -

I further certify that Ordinance No. 1576 was approved and signed by
the Mayor on the date of its passage and the same has been published
pursuant to law.

JENNIFER M. PERRIN
City Clerk

Approved as to Form

BOBBY W. McNATT
City Attorney

ORD1576/TXTA.01V

PLEASE DO NOT SIGN "EXHIBIT ONLY"

**AMENDMENT TO CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
CITY COUNCIL
OF THE
CITY OF LODI**

COPY

The Board of Administration, Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of above public agency, hereinafter referred to as Public Agency, having entered into a contract effective June 1, 1966, and witnessed April 27, 1966, and as amended effective July 6, 1966, May 1, 1970, July 1, 1973, July 1, 1977 and April 1, 1991, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 13 are hereby stricken from said contract as executed effective April 1, 1991, and hereby replaced by the following paragraphs numbered 1 through 14 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for local miscellaneous members and age 50 for local safety members.
 2. Public Agency shall participate in the Public Employees' Retirement System from and after June 1, 1966 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
 3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).
 4. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **PERSONS COMPENSATED ON AN HOURLY BASIS WHO
ARE HIRED JUNE 1, 1966 OR THEREAFTER; AND**
 - b. **ELECTIVE OFFICIALS.**
 5. Assets heretofore accumulated with respect to members in the local retirement system have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of the assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system has been credited to the individual membership account of each such employee under the Public Employees' Retirement System.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

6. Benefits paid to pensioners and annuitants under the local system on the effective date of the contract were recalculated, as authorized by Section 20520 of the Government Code, to conform with benefits applicable to persons retiring after the effective date of the contract except that no benefit which would have been payable under the continuation of the local system shall be reduced.
7. The percentage of final compensation to be provided for local miscellaneous members for each year of credited prior and current service shall be determined in accordance with Section 21251.13 of said Retirement Law, subject to the reduction provided therein for service prior to June 30, 1977, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 60 Full and Modified).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a local safety member shall be determined in accordance with Section 21252.01 of said Retirement Law (2% at age 50 Full).
9. Public Agency elected to be subject to the following optional provisions:
 - a. Section 21361.5 (Local System Service Credit Included in Basic Death Benefit).
 - b. Section 21222.1 (Special 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
 - c. Sections 21263 and 21263.1 (Post-Retirement Survivor Allowance) for local miscellaneous members only.
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 - f. Section 21298 (Improved Non-Industrial Disability Allowance) for local miscellaneous members only.
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 - h. Section 20818 (Two-Years Additional Service Credit).
10. Public Agency, in accordance with Government Code Section 20740, ceased to be an "employer" for purposes of Section 20759 effective on July 1, 1977. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20759, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20759.
11. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

12. Public Agency I also contribute to said Retirement System as follows:

- a. Public Agency shall contribute \$2.50 per employee, per month on account of the liability for the 1959 Survivor Benefits provided under Section 21382.4 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.
 - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
13. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
14. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, 19____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
CHIEF, CONTRACT SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF LODI

BY _____
Presiding Officer

Witness Date

Attest: _____

Clerk

RESOLUTION NO. 93-65

=====

RESOLUTION OF INTENTION

TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION
OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE CITY COUNCIL OF THE CITY OF LODI

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WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To provide Section 20818 (Two-Years Additional Service Credit) for local miscellaneous members and local fire safety members.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between the said governing body and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

Dated: May 19, 1993

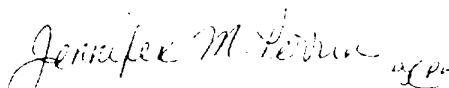
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I hereby certify that Resolution No. 93-65 was passed and adopted by the Lodi City Council in a regular meeting held May 19, 1993 by the following vote:

Ayes: Council Members - Davenport, Mann, Sieglock, Snider,
and Pennino (Mayor)

Noes: Council Members - None

Absent: Council Members - None


Jennifer M. Perrin
City Clerk

93-65

RES9365/TXTA.02J

PLEASE DO NOT SIGN "EXHIBIT ONLY"

**AMENDMENT TO CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
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COPY

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- A. Paragraphs 1 through 13 are hereby stricken from said contract as executed effective April 1, 1991, and hereby replaced by the following paragraphs numbered 1 through 14 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for local miscellaneous members and age 50 for local safety members.
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 - a. **PERSONS COMPENSATED ON AN HOURLY BASIS WHO
ARE HIRED JUNE 1, 1966 OR THEREAFTER; AND**
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PLEASE DO NOT SIGN "EXHIBIT ONLY"

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7. The percentage of final compensation to be provided for local miscellaneous members for each year of credited prior and current service shall be determined in accordance with Section 21251.13 of said Retirement Law, subject to the reduction provided therein for service prior to June 30, 1977, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 60 Full and Modified).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a local safety member shall be determined in accordance with Section 21252.01 of said Retirement Law (2% at age 50 Full).
9. Public Agency elected to be subject to the following optional provisions:
 - a. Section 21361.5 (Local System Service Credit Included in Basic Death Benefit).
 - b. Section 21222.1 (Special 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
 - c. Sections 21263 and 21263.1 (Post-Retirement Survivor Allowance) for local miscellaneous members only.
 - d. Sections 21380-21387 (1959 Survivor Benefits) including Section 21382.4 (Third Level of 1959 Survivor Benefits) for local safety members.
 - e. Sections 21380-21387 (1959 Survivor Benefits) including Section 21382.2 (Increased 1959 Survivor Benefits) and Section 21382.4 (Third Level of 1959 Survivor Benefits) for local miscellaneous members.
 - f. Section 21298 (Improved Non-Industrial Disability Allowance) for local miscellaneous members only.
 - g. Section 20024.2 (One-Year Final Compensation) for local fire members only.
 - h. Section 20818 (Two-Years Additional Service Credit).
10. Public Agency, in accordance with Government Code Section 20740, ceased to be an "employer" for purposes of Section 20759 effective on July 1, 1977. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20759, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20759.
11. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

12. Public Agency shall also contribute to said Retirement System as follows:

- a. Public Agency shall contribute \$2.50 per employee, per month on account of the liability for the 1959 Survivor Benefits provided under Section 21382.4 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.
- b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
- c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

13. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

14. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, 19____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
CHIEF, CONTRACT SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF LODI

BY _____
Presiding Officer

Witness Date _____

Attest:

Clerk

PERS-CON-702 (AMENDMENT)
(Rev. 1/92)